



# MIAMIBEACH

OFFICE OF THE CITY MANAGER

NO. LTC # 048-2006

## LETTER TO COMMISSION

TO: Mayor David Dermer and Members of the City Commission

FROM: Jorge M. Gonzalez, City Manager

DATE: February 22, 2006

SUBJECT: Special Resident Golf Rates

The purpose of this LTC is to provide you with additional information regarding the closure of the Normandy Shores Golf Course (NSGC) and our efforts to mitigate the impacts.

The City's approved concept for golf course operations has assumed that upon completion of reconstruction activities at both the Miami Beach Golf Club (MBGC) and the NSGC, the community would be served by two quality venues.

The MBGC has been intended to be the City's higher end course that competes with other destination venues in south Florida, such as Doral. Rates at MBGC are competitive with other premier courses. An important component to the player mix at this course is the visitor/hotel guest that provides for a substantial component of the revenue stream and the course ability to be self sustaining.

Our second venue is the Normandy Shores Golf Course (NSGC) that is intended to be our principal resident course with a more affordable rate structure than MBGC. While the course quality is to be similar to MBGC, fewer player amenities would be offered to help control costs. The course is not expected to be self sustaining at this time as an insufficient amount of play is anticipated to support operating costs. The amount of play is more reflective of golf industry experience and demographics than any other factor. Combined with a lower rate per round of golf, the course will need to be subsidized by the City annually. The amount of subsidy will still have to be determined as it will be rate sensitive and final rates have not yet been determined. A presentation to and discussion by the Finance and City-wide Projects Committee will be set up as more information is known about construction and operating costs.

When the NSGC was closed last spring, it was with the expectation that the course would go into reconstruction in the fall. Unfortunately several issues in design and permitting have occurred that have delayed the reconstruction timeline so that construction is to begin in the summer. Reopening the course is not possible without a significant capital expenditure. While these issues have delayed the course construction, the Clubhouse component is funded and will be proceeding soon.

In the final design phase for the course, other facility issues have developed that will need to be dealt with in the immediate future. Originally renovations for the NSGC maintenance building, cart barn and on course restrooms was anticipated. As the final design has progressed it is apparent that new structures will need to be constructed for which a construction funding source has to be identified. Options are being developed for discussion by the City Commission.

With the extended closure time, in an effort to mitigate the inconvenience to our resident golfers, the Administration in conjunction our golf management company, Professional Course Management (PCM), has developed the following special golf rates that will be offered to all Miami Beach residents for the remainder of the Winter season (through April 30, 2006 at which time the summer rate schedule goes into effect). Prior to this recommendation being made the administration of the Parks & Recreation Department and PCM management discussed various options that would best accommodate our residents while being sensitive to the balance of resident, tourist and day guest players that must be maintained to ensure the success of the Miami Beach Golf Club.

The options to be offered provide for expanded golf play opportunities with an additional resident discount, beyond the discount already offered, at both the MBGC and the Miami Shores Golf Club. Miami Shores Golf Club was selected because of its proximity and its management by PCM. PCM has been very helpful and cooperative in structuring this program to benefit our golf community. As the program at both the MBGC and Miami Shores Golf Club provide for below market rates that are also below current resident rates there must be some limits on availability. The program will provide for two days of more deeply discounted golf play for residents at two quality courses.

The following rate structure will be made available to residents in the end of February:

- On Monday's a discounted rate of \$50.00 + tax (regular rate of \$79.00 + tax) will be available to all Miami Beach residents at the Miami Beach Golf Club.
- On Tuesday's a discounted rate of \$40.00 + tax (regular rate of \$60.00 + tax) will be available at the Miami Shores Golf Club (a PCM managed property).

Tee times for our residents can be made at either facility up to five days in advance and are subject to availability.

This rate structure has been discussed and unanimously approved by the City's Golf Advisory Committee at their February 7, 2006 meeting.

Our residents will be notified of the very special offer by notice in the City's section of the Miami Herald's Neighbors, Sunday edition, as well as one of the Spanish newspapers regularly utilized by the City. Additionally, the residents who had memberships at the Normandy Shores Golf Course at the time of its closure will be notified via mail of this special offer.

We believe that this accommodation helps to mitigate some of the impacts of the closure of the NGSC.

Please advise if you have additional questions, comments or concerns.

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c: Robert C. Middaugh, Assistant City Manager  
Kevin Smith, Parks & Recreation Director  
Alberto Pozzi, Manager, PCM

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